

PS 8582.01 GOVERNMENT-WIDE COMMERICAL CREIDT CARDS, FPI



Program Statement

OPI: FPI
NUMBER: 8582.01
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SUBJECT: Government Credit Cards,
Official Use - FPI

1. PURPOSE AND SCOPE. To provide standards and guidelines to implement, use, and manage the Governmentwide Commercial Credit Card Program (currently VISA) throughout Federal Prison Industries (FPI). This program provides for delegating Cardholder authority to Cost Center Managers and their designees. This Program Statement is updated to incorporate automated credit card acquisitions and permit acquisitions of raw materials within the cardholder's delegated authority.

The Attorney General has endorsed the use of the Credit Card Program as one of the National Performance Review initiatives to empower employees and reduce administrative costs.

2. PROGRAM OBJECTIVES. The expected results of this program are:

a. Procurement and payment procedures will be streamlined and simplified.

b. Staff will be given the opportunity to make practical business decisions in obtaining products or services for which they are knowledgeable.

c. Cost Center Managers management control and decision making will be improved.

3. DIRECTIVES AFFECTED

a. Directive Rescinded. None.

b. Directive Referenced

PS 4100.03 BOP Acquisitions (9\16\96)

4. STANDARDS REFERENCED. None.

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5. RESPONSIBILITIES. The Controller, Financial Management Branch (FMB), and the Chief, Material Management Branch, shall share direct overall responsibility for the Credit Card Program within FPI. FPI's Agency Program Coordinator (Level III) shall be the Financial Manager, FMB, and shall be FPI's primary representative to the contractor. The Business Manager/Plant Controller at each FPI site (Level IV Agency Program Coordinator), shall have direct overall responsibility for the Credit Card Program at each location. The Department of Commerce BankCard Center currently provides administrative support for a fee assessed to FPI.

6. DEFINITIONS/RESPONSIBILITIES/PROCEDURES. Definitions of positions, forms, reports, and terms, as well as responsibilities and detailed procedures, are located in the attached "Federal Prison Industries Credit Card Handbook" (Attachment A).

7. PROGRAM REQUIREMENTS. The credit card shall be made available to employees the CCM designates. CCMs are advised that use of the card is not solely for emergency situations, but usage shall be mandatory for day-to-day purchases of \$2,500 or less.

Exceptions to mandatory use include:

- , appropriate vendor does not accept the card;
- , supplies or services listed under prohibited items in this Program Statement; and,
- , when special circumstances make use of the card inappropriate.

Cardholder authority may be delegated above the micro purchase threshold at the discretion of the Chief of Material Management providing the cardholder meets the requirements for higher level procurement authority. Use of the credit card in no way diminishes the Cost Center Manager's responsibility for sound internal controls and fiscal accountability.

a. Establishing Accounts. Each site shall issue a delivery order to the Bank through the Commerce BankCard Center to cover its facility.

Each location shall provide the information listed in the Handbook to the Commerce BankCard Center at the time of submission of the initial Cardholder and Approving Official applications. This will allow the Commerce BankCard Center to administer FPI accounts.

b. Eligibility. Personnel designated to become "Cardholders" or "Approving Officials" must first receive approved ethics **and**

credit card purchasing training. Cardholders requesting

authority above the micro purchase threshold must complete the training requirements for the level of authority requested as defined by UAP Part 1.

c. Training. Applicants may be credited for the ethics portion of the training if they have completed the Cost Center Manager course, the Contracting Officer's Technical Representative self study course, or Procurement Integrity training. At a minimum, credit card purchasing training shall be completed by viewing the Department of Commerce video, "Using Your BankCard.?" Upon completing the ethics **and** training requirement, the applicant must request Cardholder authority from the Chief, Material Management Branch.

8. PROHIBITED ITEMS. In accordance with the GSA contract, the credit card may **not**, under any circumstances, be used for:

- , cash advances;
- , rental or lease of land or buildings;
- , travel (may be used for travel, lodging, and meals in instances where the GSA contractor-issued travel charge card is not accepted);
- , telecommunications (telephone services); or,
- , **any personal items.**

Other disallowed purchases under the credit card are:

- , meals;
- , lodging;
- , uniform allowance items;
- , rental or lease of vehicles for travel purposes;
- , controlled substances or property (drugs, ammunition, weapons, etc.); or
- , advisory and assistance services.

Under no circumstances shall the credit card be used for personal purchases.

9. RAW MATERIAL CREDIT CARD ACQUISITIONS

a. All credit card acquisitions for raw materials shall be performed in the SYMIX, Procurement Action System (PAS). Credit card purchases above \$2,500 shall be processed only by warranted Contracting Officers with cardholder authority, using standard procurement processes and designating (C) as the payment type in

the purchase order. The Chief, MMB, shall approve exceptions to the requirement that all purchases over the micro-purchase threshold be done via purchase order.

b. Similar to creating a standard purchase request, a credit card requisition for raw materials shall only contain raw material items.

c. Credit card acquisitions for UNICOR contract items are not permitted unless the contract specifically permits credit card ordering.

d. All PAS credit card acquisitions shall contain the "warehouse" as the deliver to location. The material must be received under normal receiving procedures against the established VISA Account purchase order. The credit cardholder may verify receipt of the material for reconciliation purposes by viewing the line item information contained in the VISA Account purchase order or by viewing reports in the outputs menu.

10. OVERSIGHT. The Cardholder has overall responsibility for the Credit Card Program's integrity. However, the Approving Official shall ensure each purchase is in accordance with policy, and in the best interest of the Government. Accordingly, Program Review objectives shall be used to monitor program compliance. The primary Contracting Officer at each field location shall conduct a monthly, random review of credit card purchases. Additionally, the Material Management Branch shall review credit card acquisitions as part of normal oversight responsibilities.

11. CARD SECURITY. It is the Cardholder's responsibility to safeguard the credit card and account number at all times. Staff are reminded to take the necessary precautions to ensure that under no circumstances are inmates to have access to a card number (i.e., by processing/filing records, when placing orders by telephone, when receiving orders, etc.). The Cardholder must not allow anyone to use his or her card or account number. A violation of this security and trust may result in disciplinary action.

12. ASSISTANCE. Contracting questions should first be addressed to the Field Contracting Officer. Concerns regarding Delegation of Cardholder Authority or designation of officials or Cardholders should first be addressed to the local agency program coordinator, usually the Business Manager or Plant Controller.

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/s/

Kathleen Hawk Sawyer
Director

**FEDERAL PRISON INDUSTRIES
CREDIT CARD HANDBOOK**

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1. PURPOSE OF THE FEDERAL PRISON INDUSTRIES CREDIT CARD HANDBOOK

The purpose of this Handbook is to provide standards and guidelines for the implementation, management, and use of the Governmentwide Commercial Credit Card Program.

2. BACKGROUND

The Credit Card Program is intended to streamline and simplify procurement and payment procedures; give staff the opportunity to make practical business decisions in obtaining products or services for which they are knowledgeable; and enable CCMS to improve management control and decision making.

The Attorney General has endorsed the use of the Credit Card Program as one of the National Performance Review initiatives to empower employees and reduce administrative burdens. The program delegates small purchasing authority to each CCM (and their designees).

The Chief, Material Management Branch, and the Controller, FMB, shall share direct overall responsibility for the Credit Card Program within FPI. FPI's Agency Program Coordinator (Level III), shall be located in FMB, and shall be FPI's primary representative to the bank. The Business Manager/Plant Controller (Level IV Agency Program Coordinator), shall have direct overall responsibility for the Credit Card Program at each location.

3. GUIDELINES FOR IMPLEMENTING THE CREDIT CARD PROGRAM AT LOCAL OFFICES

a. In order to initiate participation in the program, each location must establish an internal document to facilitate the establishment of accruals for payments of the credit card statement.

b. In order to allow the Commerce BankCard Center to administer the FPI accounts, each location shall provide the following information to the Commerce BankCard Center at the time of submission of the initial Cardholder and Approving Official applications:

(1) Institution name, address, telephone number;

(2) Institution Allotment Code (three-digit identification number preceded by 0);

(3) Level IV Agency Program Coordinator (APC) (Business

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Manager or Plant Controller), to include name, address, telephone number; and,

c. Locations shall use the Department of Commerce BankCard Center to provide administrative support.

d. The local Business Office is responsible for payments to the contractor. The cost of the administrative support from the Department of Commerce, will be paid by OPAC, by the Central Office for all local offices.

e. Payment Support. The Bank provides a summary invoice at the conclusion of each billing cycle. FPI Business Managers are responsible for: ensuring accruals are properly established for credit card purchases; ensuring the credit card payment transactions are properly recorded in the FPI SYMIX; and for reconciling the contractor's invoice against the Approving Official's monthly statement.

f. Individual charges placed against the credit card shall not be reported in the Federal Procurement Data System (FPDS).

4. DEFINITIONS

The following definitions supplement those set forth in the current GSA FSS Governmentwide Commercial Credit Card Program contract.

a. Definition of Positions

(1) Agency/Organization Program Coordinator (APC) (Level IV). The Business Manager or Plant Controller shall be the APC for each site. This official shall oversee the technical administrative aspects of the contract. The APC shall be the point of contact to serve as coordinator between the Contractor, FMB, and the Department of Commerce BankCard Center. All applications, removals, changes to limits or merchant activity codes, etc., shall be forwarded through the APC to the Department of Commerce BankCard Center, who will forward them to bank.

(2) Approving Official. The Approving Official, hereafter referred to as Cost Center Manager (CCM), shall recommend who shall be Cardholders. The CCM should have enough Cardholders under his or her control to distribute the workload among his or her staff. The CCM is responsible for the approval of all Cardholder purchases, and monthly reconciliation of each of his or her Cardholder's statements and verifying that all transactions were made for necessary Government purchases, and in accordance with Federal procurement guidelines. The CCM must establish a monthly limit for each Cardholder to ensure they operate within the budget.

An Approving Official must be organizationally above his or her Cardholders; additionally, may not be his or her own Approving Official. Therefore, if a CCM holds a card, a separate Approving Official must be designated within the organization.

(3) Cardholder. The individual Government employee granted a written Delegation of Cardholder Authority to use the credit card. The card shall be in the employee's name and can be used only by the individual to pay for official purchases in compliance with the Federal Acquisition Regulation and FPI's internal procedures.

(4) Department of Commerce BankCard Center. The Department of Commerce BankCard Center will provide service to support FPI during the contract, as arranged by the Central Office. This office aids the APC in account set-up, coordination, training, disputes, etc., of the Credit Card Program.

(5) Disputes Office Contact (DOC). The Department of Commerce BankCard Center shall coordinate resolution of disputes for the Credit Card Program. The Department of Commerce BankCard Center is capable of providing additional reports, if necessary.

(6) Financial Management Branch (FMB). The Business Manager/Plant Controller (or respective designee) shall be responsible for monthly verification of his or her organization's credit card charges. Monthly charge totals from the bank shall be reconciled with the cardholder's statements. This position shall also be the coordinator (through the Department of Commerce BankCard Center) for the settlement of discrepancies or disputes that arise from defective, faulty, unreceived, or returned merchandise, credits for sales tax refunds, and credits for billing errors with the bank (only after the Cardholder has exhausted all avenues for disputes).

(7) Field Contracting Officer. The Field Contracting Officer shall be responsible for providing technical advice regarding procurement regulations to all staff involved in the use of the Credit Card Program. Field Contracting Officers may become a cardholder. They are restricted to purchases exceeding \$2,500, and will process these using standard procurement procedures. Their card shall be used for payment purposes only.

(8) Card Issuing Bank. The Contractor, shall produce and disseminate credit card statements and investigate all amounts disputed by the Cardholder and Disputes Office Contact.

(9) Chief of Procurement. The Chief, Material Management Branch, shall be the "Cardholder Issuing Authority." **This**

authority may not be further delegated.

b. Definition of Reports. The Contractor is capable of providing a series of standard reports to participating locations. During the implementation process, the ordering location will determine its own reporting requirements, and establish which of the available reports are necessary for its particular need. Several on-line reports may be helpful in oversight implementation (e.g., Cardholder Activity Report, Daily Transaction List, Quarterly Merchant Activity Report, Detail Transaction File, Disputed Transaction Status Report, Declined Transactions Report). However, at a minimum, the following hard copies shall be required:

(1) Cardholder Statement/Statement of Account. A monthly statement sent by the Contractor to each Cardholder itemizing all credit card transactions made within the established billing period.

(2) Approving Official Report/Business Account Summary. A monthly report sent by the Contractor to each CCM summarizing the purchase and credits of each Cardholder under the CCM's control.

(3) Finance Office Report/Financial Summary Report. A monthly report for each Financial Management Office summarizing monthly charge accounts at the particular site. This report is to be used as FPI's notice of monthly charges paid by FMB.

c. Forms

(1) Contractor Supplied Forms. Cardholder setup, Cardholder account update, approving official setup, approving official account update, and questioned item forms are available from the contractor. When a Cardholder discovers an incorrect amount has been charged for goods or services, the Cardholder must immediately seek to resolve the problem with the vendor. However, if the Cardholder is unable to resolve the issue with the vendor within a short period of time, the Cardholder shall complete a Statement of Questioned Item(s) (furnished by the Contractor), indicating the nature of the problem, and forwarding it to the Department of Commerce BankCard Center.

The Department of Commerce BankCard Center shall notify the bank of this dispute. A copy must also be forwarded along with the Cardholder's Statement of Account to the CCM. **Note:** If the dispute involves sales tax charged erroneously by the vendor, the amount of the tax cannot be disputed. Ordering agencies must pay the tax, and Cardholders should make every effort to obtain a credit from the vendor for the amount of the tax.

(2) Request for Delegation of Cardholder Authority
(Attachment B). The application form to obtain a Delegation of
Authority for Cardholders.

d. General Definitions

(1) Account Set-Up Information. The specific information required by the Contractor for each Cardholder so that an active account can be established for that Cardholder. This information is supplied to the Contractor (through the APC and forwarded to the Department of Commerce BankCard Center) by the CCM at each ordering location, by completing the Cardholder Set-up form, and the Approving Official Set-up form.

(2) Delegation of Cardholder Authority. After receiving the required training, and prior to making application to the Contractor, each prospective Cardholder shall request specific purchase authority for use of the credit card. This shall be accomplished via written request from the Cardholder (see Exhibit B). Once granted, this delegation shall be made in writing by the Chief, Material Management Branch, for the amount requested.

(3) Single Purchase Limit. The limitation on the amount a Cardholder is permitted to purchase at any one time. The Contractor will not authorize a purchase if the purchase exceeds the Cardholder's single purchase limit. This limit (set by the CCM) applies to total amount, not per item or line item total. The single purchase limitation shall normally be limited to a maximum of the Cardholder's Delegation of Cardholder Authority.

(4) Monthly Cardholder Purchase Limit. The monthly purchase limitation (set by the CCM) is the amount that each Cardholder may purchase during the monthly billing cycle.

(5) Monthly Office Limit. The office limitation established for each CCM is specified on their application. Ideally, this is the aggregate limitation of the dollar amount of possible purchases made on all cards under the CCM's responsibility within a monthly billing cycle.

(6) Merchant Activity Code. Cardholder use may be restricted by a prohibition against, or a restriction to certain types of vendors as described by that vendor's Standard Industrial Classification code, which is part of the vendor's record at the credit card clearinghouse. A choice of restriction categories is provided by the Contractor, who can also make available new combinations of the defined merchant category codes should this be desired by the user.

It should be noted, Merchant Activity Codes affect merchants, not types of goods. Therefore, due to the potential amount of excessive Cardholder declinations, the Merchant

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Activity Code may be unrestricted, with a code of 000.

5. DELEGATIONS/RESPONSIBILITIES

a. Cardholder. Upon receipt of Delegation of Cardholder Authority, individual staff members may be approved for a credit card by being nominated by the CCM (through the APC, and forwarded to the Department of Commerce BankCard Center, who will submit the application to the Contractor). Upon nomination, each Cardholder shall be given, by the Business Manager/Plant Controller, the booklets entitled "Cardholder Instructions," (as furnished by the Contractor) prior to receiving the credit card. The Cardholder shall be guided by this booklet, as well as being responsible for the following activities:

(1) Immediately use the Voice Response Unit to activate the card.

(2) Abide by the procurement guidelines and documentation requirements as trained, and described in Section 5. Designated Contracting Officer or Field Procurement Advisor shall provide technical procurement assistance, if questions arise regarding procurement regulations.

(3) Maintain itemized receipts and packing slips.

(4) Follow-up with vendor concerning any undelivered orders.

(5) Each month, the Contractor will provide a Statement of Account for purchases made with the Cardholder's credit card. Upon receipt, the Cardholder shall perform the following duties:

(a) Date-stamp or otherwise note the date of receipt on the face of the Statement of Account.

(b) By running the Credit Card Reconciliation Report in SYMIX for the individual cardholder, the cardholder must verify the Statement of Account with their documentation of each item, quantity, price and line item total. (Reconciliation report is available in the output section of the Request for Purchase/Credit Card Purchase subsystem:(P)urchasing, (1) Request for Purchase/Credit Card Purchase subsystem, (O)utput, and (9) Credit Card Reconciliation.)

(c) Assign the correct accounting classification information to each credit expenditure (if different from the default accounting code).

(d) Attach the Reconciliation Report to the statement, making sure the report lists the details for each purchase.

(e) Sign the Statement of Account, attach all itemized receipts or packing slips, and forward to the CCM within 10 calendar days of the statement date.

(6) If unable to resolve any discrepancy with the vendor, immediately forward Statement of Questioned Item(s) to the Department of Commerce BankCard Center and aid in any investigation of disputed charges (see Section 9(b), "Disputed Charges").

(7) Mutilate and return the credit card to the APC upon termination/change of position or demand made by the CCM or APC.

b. Agency/Organization Program Coordinator (APC). The Business Manager or Plant Controller shall be the APC for each site. This official shall oversee the technical administrative aspects of the contract at each location. The APC shall be the point of contact to serve as coordinator between the Contractor, the FMB, and the Department of Commerce BankCard Center.

All applications, removals, changes to limits or merchant activity codes, etc., shall be forwarded through the APC to the Department of Commerce BankCard Center, who will forward to the Contractor. APC responsibilities include:

(1) Receiving Approving Official's applications and collecting any information needed (and forward application to the Department of Commerce BankCard Center, who will forward to the Contractor). Prior to forwarding, the APC shall ensure that all Approving Official applicants have received the training specified in Section 7, "REQUIRED TRAINING."

(2) Receiving Cardholder's applications, ensuring appropriate training, and collecting any information needed.

Ensuring each application has the approved single purchase limit (as shown on the Cardholder Delegation of Authority), and the monthly purchase limit, as specified by the Cost Center Manager.

(3) Forwarding Cardholder and Approving Official applications to the Department of Commerce BankCard Center, who will electronically forward to the Contractor.

(4) Keeping a master list of Cardholders for each Approving Official.

(5) Ensuring accruals are properly established for credit card purchases.

(6) Ensuring the credit card payment transactions are properly recorded in the FPI SYMIX accounts payable module.

(7) Reconciling the monthly Approving Official's statement with the bank's credit card charge statements.

(8) Collecting credit cards and removing Cardholders when appropriate. Disposal of cards as appropriate.

(9) Providing written or electronic confirmation of all card cancellations to the Contractor (through the Department of Commerce BankCard Center).

c. Approving Official. Upon verification of training by the APC, each Cost Center Manager (CCM) may be designated as an Approving Official. Each proposed Approving Official shall complete an application and forward to the APC. An Approving Official must be organizationally above his or her Cardholders; and may not hold a card under his or her control.

Therefore, if a CCM desires to become a Cardholder, a separate Approving Official must be designated within the organization. CCM responsibilities include:

(1) Satisfying the training requirements as specified in Section 7, "REQUIRED TRAINING".

(2) Obtaining a copy of "Approving Official Instructions," from the Contractor.

(3) Nominating Cardholders and initiating issuance of credit cards (through the APC).

(4) Specifying the single purchase limit, monthly purchase limit, and the authorized Merchant Activity Codes for all Cardholders within his or her responsibility.

(5) Tracking budgetary restraints in accordance with national policy and local supplements, and authorizing individual purchases on the Credit Card Purchase Form for Cardholders under their responsibility.

(6) Receiving, monthly, Statements of Account, from each Cardholder under their responsibility. Upon receipt, the CCM shall perform the following:

(a) Review each Statement of Account to determine if the purchases are appropriate and correct.

(b) Verify the charges appearing on the Cardholder's monthly statement.

(c) Sign each Statement of Account and forward to the Financial Management Office within 15 calendar days of the statement date.

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(7) Receiving the Monthly Approving Official Summary Statement, which is a composite of all charges by the individual Cardholders assigned to each Approving Official (Business Account Summary Report).

(8) Authorizing the Contractor (through the APC) to accept deviations from the pre-established single purchase and/or monthly dollar limits in emergency situations.

d. The Department of Commerce BankCard Center. The Commerce BankCard Center shall provide selected administrative support for the Credit Card Program as arranged by the Central Office. The Department of Commerce BankCard Center's duties include:

(1) Receiving Cardholder and Approving Official's applications and collecting any additional information needed (and forward electronically to the Contractor).

(2) Keeping a master list of Approving Officials and Cardholders for each office location.

(3) Providing written or electronic confirmation of all card cancellations to the Contractor upon receipt from the APC.

(4) Serving as each location's official Disputes Officer.

(5) Providing training, guidance, and general oversight to each participating location. Possible procurement violations observed during oversight shall be reported to the APC for each location.

e. Financial Management Office. Responsibilities of the Financial Management Office include the following:

(1) Reconcile monthly Approving Official's Statements to the charges made by the contractor.

(2) Assist in resolution of disputes regarding credit card charges, and report to the APC.

f. Field Contracting Officer. The Field Contracting Officer shall serve as technical procurement advisor to Cardholders, CCMS and others involved in the program. They will also perform oversight of their location's credit card purchases.

g. Warehouse Staff. The following procedures shall be implemented for receiving procedures:

(1) Credit card acquisitions shall be received in the same manner as purchase/delivery orders are received for credit card acquisitions issued in PAS. The credit card goods/services are to be received against the appropriate line item established in the PAS Credit Card Purchase Order.

(2) Any discrepancy, in quantity, or type shall be forwarded by warehouse personnel to the cardholder. The cardholder shall be responsible for resolving any discrepancies.

(3) Manual receiving reports shall not be prepared for credit card purchases.

6. REQUIRED TRAINING

Federal Acquisition Regulation, Subpart 13 governs use of the credit card. Personnel designated to become "Cardholders" or "Approving Officials," must first receive approved ethics **and** credit card purchasing training. Personnel designated to be Cardholders must also obtain a Delegation of Cardholder Authority. Applicants may be credited for the ethics portion of the training if they have completed the Cost Center Manager self-study course, the Contracting Officer's Technical Representative self-study course, or Procurement Integrity training.

At a minimum, procurement training for the Credit Card Program shall be completed by viewing the Department of Commerce video, *Using your BankCard*. The training shall cover the fundamental Micro-Purchase regulations such as mandatory sources, and additional prohibitions against the use of the credit card. Some examples of these prohibitions are for incidentals such as travel or per diem, cash, lease, telecommunications services, or personal items.

When an individual has completed the required training, the local Employee Development Manager or Employee Development Administrator shall issue a memorandum certifying training completion. Personnel requesting credit card authority above the micro purchase threshold must also meet the requirements for a level I warrant per UAP Part 1.

7. AUTHORIZED PURCHASES

The card may be used to pay for commercially available goods. However, some procurements shall be limited:

a. Prohibited Items. The credit card may not, under any circumstances, be used for: cash advances, rental or lease of land or buildings, travel (unless vendor does not accept the GSA

contractor-issued travel card), telecommunications (telephone services), or personal use items. **Note:** The purchase of prohibited items may result in disciplinary action.

b. Regulated Purchases. The use of the credit card is limited in the following ways:

(1) Due to accountability requirements, and as specified by FPI's internal controls or various policies, the following shall not be purchased with a credit card: meals; lodging; uniform allowance items; rental or lease of vehicles in conjunction with travel; controlled substances or property (drugs, ammunition, weapons, etc.); or advisory and assistance services.

(2) Due to requirements specified in various FPI Program Statements, the following **may** be procured with the use of credit cards, once the advance approvals and/or other requirements have been met: paid advertisements; temporary services; lease or purchase of Automatic Data Processing (ADP) supplies, software, or equipment; small, emergency photocopying services (when unavailable through FPI); or any item requiring a special approval. If appropriate approvals are first obtained, the purchase of such items/services may be accomplished with the credit card.

UNDER NO CIRCUMSTANCES SHALL THE CARD BE USED FOR PERSONAL PURCHASES.

8. PROCEDURES

Use of the credit card is governed by regulations as specified in the Federal Acquisition Regulation, Subpart 13 (Simplified Acquisition Procedures), and Subpart 8 (Required Sources of Supplies and Services).

Vendor selection must be made on the basis of a reasonable price or value to the Government. Cardholders should rotate vendors, and shall not split orders to circumvent their single purchase limit.

For raw material items, the Cardholder or requestor shall prepare a credit card purchase request in PAS to initiate a purchase. Once the credit card request has been approved by the cardholder and approving official, the cardholder shall complete the order and perform the procurement action in SYMIX to complete the credit card request. If the price of an item is unknown before making a purchase by telephone or in person, the Cardholder shall contact the vendor and get the complete pricing and delivery

information. This information is placed in the *planned price* on the credit card request. Once the request is approved and the order is placed, the cardholder can update the *actual price* on the request form in SYMIX and complete the order. Items other than raw materials may be purchased using the manual credit card purchase form.

Field Contracting Officers may become a cardholder. They are restricted to purchases exceeding \$2,500 using standard purchasing procedures. A standard request for purchase and purchase order must still be processed.

The contracting officer will designate payment type (C), for credit card payment on the purchase order. The card is to be used for payment purposes only. Use of the Credit Card by the Contracting Officer is not mandatory. The card should be used at the Contracting Officer's discretion when a purchase order may not be accepted or a faster payment is required.

When purchasing items by telephone or over the counter, the Cardholder must inform the merchant that the purchase is for official U.S. Government purposes and, therefore, is not subject to state or local sales tax.

Cardholders must notify vendors to place the following information on the shipping document, **COST CENTER/LAST NAME OF REQUESTOR/VISA**. The vendor should also be informed that if the delivery does not contain the above information, the order may be returned. **Direct the vendor delivering to the institution not to place the credit card number on any of the shipping/invoice documents.**

Upon receipt of Cardholder's summary account, the original copy shall be filed with receipts, packing lists, etc., and retained for a period not less than three years.

The Cardholder shall be responsible for maintenance of all records, reports, packing slips, or receipts to verify charges against their monthly Statement of Account. These Cardholder records shall be retained for future review purposes. If the Cardholder cannot substantiate the purchase was necessary and for official use, the institution must address this situation by requiring reimbursement by the employee, and if warranted, referral to the Office of Internal Affairs. The Government shall be liable for use of the credit card by authorized users provided the use is within the dollar limits and allowable Merchant Activity Code, or provided the authorized user made a purchase below the merchant's credit card floor limit (and the purchase was not electronically authorized).

a. Federal Procurement Data System (FPDS) Reporting.

Individual charges placed against the credit card shall not be reported in the FPDS unless the acquisition is an order against an existing contract or exceeds \$2,500. Accordingly, internal documents developed to facilitate accruals shall reflect three asterisks as the designation code.

b. Disputed Charges. If any statement item is found to be incorrect, the Cardholder shall adhere to the following procedures:

(1) Immediately attempt to resolve the disputed charges with the merchant involved, so that a credit appears on the next Cardholder's Statement of Account.

(2) If a resolution with the vendor is not possible, or the credit does not appear on the next statement, the Cardholder shall immediately prepare a Cardholder Statement of Questioned Item(s) (one for each item in question). The form will be provided by the Contractor.

(3) Make three additional copies of this completed form; one for the documentation accompanying the monthly statement, one to be sent to the APC, and one to be retained by the Cardholder. The original shall be sent to the Department of Commerce BankCard Center, who will forward to the Contractor.

(4) Track disputed items and ensure all credits due are issued.

c. Card Security. It is the Cardholder's responsibility to safeguard the credit card and account number at all times. Staff are reminded to take the necessary precautions to ensure that **under no circumstances are inmates to have access to a card number** (i.e., by processing/filing records, when placing orders by telephone, when receiving orders etc.). The Cardholder must not allow anyone to use his or her card or account number. A violation of this security and trust may result in disciplinary action.

d. Lost/Stolen Cards. FPI will not be liable for any unauthorized use of the credit card (this means the use of a credit card by a person other than the Cardholder, who does not have actual, implied, or apparent authority for such use, and from which the Cardholder receives no benefit). However, FPI may be responsible for charges against the card if a loss or theft is not reported to the Contractor within the specified time. The Cardholder will not be personally responsible for charges on a lost or stolen card if reported properly. If a card is lost or stolen, the Cardholder shall:

(1) Immediately (within one working day) notify the CCM, the APC, the Department of Commerce BankCard Center, and the Contractor via telephone.

(a) The Contractor's toll free telephone number is (800)

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227-6736. Outside U.S., call collect, (303) 585-7160.

(b) The Department of Commerce BankCard Center's toll free telephone number is (800) 782-2233.

(2) Submit a written report to the CCM within five workdays, which will be forwarded through the APC and the Department of Commerce BankCard Center, to the Contractor. The report shall include:

- (a) Card Number;
- (b) Cardholder's complete name, as it appears on card;
- (c) Date card was stolen or lost;
- (d) Location loss occurred (if known);
- (e) If stolen, date reported to police;
- (f) Date the Contractor was notified; and
- (g) Purchases made the day the card was lost or stolen.

A new card will be mailed within two working days of the reported loss or theft.

e. Employment Termination or Transfer of Cardholder. When Cardholder employment is terminated, or the Cardholder is transferred, the CCM shall obtain the mutilated card from the Cardholder, and shall:

(1) Immediately notify the APC, who shall notify the Department of Commerce BankCard Center (who shall notify the Contractor) via telephone (within one working day) of the discontinuance of the card.

(2) Submit a written report within five working days, which will be forwarded through the APC to the Department of Commerce BankCard Center. The report shall include:

- (a) Card Number;
- (b) Cardholder's complete name, as appears on the card;
- (c) Date of termination of the card;
- (d) Date the Contractor was notified; and
- (e) Any purchases made on the last day of employment.

9. OVERSIGHT. The overall responsibility for the integrity of the Credit Card Program is with the Cardholder. However, the Approving Official shall ensure each purchase is in accordance with policy, and in the best interest of the Government. Accordingly, Program Review objectives have been added to monitor program compliance. The primary Contracting Officer at each field location shall conduct a monthly, random review of all credit card purchases that occurred the previous month for at least two credit cardholders to ensure program compliance (i.e., mandatory sources, reconciliation of statements, personal convenience items, splitting orders, etc). A file shall be maintained at the field site documenting the results of the review and any corrective action recommended and/or taken. Additionally, the Material Management Branch shall review credit card acquisitions as part of normal oversight responsibilities.

U.S. Department of Justice
Federal Bureau of Prisons

Ⓜ

Washington, DC 20534

MEMORANDUM FOR JACK RIGSBY, CHIEF
MATERIAL MANAGEMENT BRANCH

FROM:

Agency Program Coordinator (APC)
(Business Manager/Plant Controller)

Name of Institution

SUBJECT: Request for Delegation of Cardholder Authority for
the Governmentwide Commercial Credit Card

This shall serve as a request to delegate Cardholder authority
for use with the Governmentwide Commercial Credit Card Program to
the below-named individual.

Cardholder Name/Title/Address:

Single Purchase Limit:

Point of Contact Name/Telephone Number:

Approving Official: _____
Name/Title/Signature

Attached is the applicant's certification of training completion.
Attachment

"LOCAL REPRODUCTION AUTHORIZED"



**UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL PRISON INDUSTRIES
CREDIT CARD PURCHASE FORM
(Not for Personal Use Items)**

No. _____
Warehouse Use

VENDOR NAME: _____ PHONE NUMBER _____

DEPARTMENT: _____

CARD HOLDER NAME: _____ DATE: _____

(PLEASE PRINT)

STOCK NO.	QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	AMOUNT
TOTAL AMOUNT					

Accounting Code (If other than default):

Card Holder Signature: _____ Date: _____

Cost Center Manager: _____ Date: _____

Warehouse: _____ Date: _____

OFFICE REQ. NO.: _____

Original (Cardholder) Copy 1 (Cost Center Manager) Copy 2 (Warehouse)

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"LOCAL REPRODUCTION AUTHORIZED"